

The Hon'ble Vice President  
Bar Council of Bhutan  
Thimphu

**Subject: Complaint regarding the wilful unauthorised legal representation of the relevant RICBL employees *In Re* RICBL Vs. Ugyen Wangchuk & Tshering Pem**

Hon'ble Dasho,

We would like to register a complaint against the Legal Officer Mr. Sonam Jurmey and his immediate supervisor Mr. Phub Dorji, General Manager, Legal Department on their lapses on the case procedures and representation of the employees specifically, the implicated four individuals as hereunder:

1. Mr. Jigme Namgyal
2. Mrs. Jurmey Chetsho
3. Mrs. Ugyen Lhamo
4. Mr. Tashi Penjor

Dasho, the reason behind this unfortunate complaint before the Bar Council of Bhutan is in re the lapses on the part of above officials of the Legal Department in the case proceedings against Loan Clients of RICBL Mr. Ugyen Wangchuk and Mrs. Tshering Pem, who had defaulted on loan repayments. The case was registered by the Legal Department of RICBL to recover the Principal outstanding amounting to **Nu. 62,123,076.00** (Sixty-Two Million One Hundred Twenty-Three Thousand Seventy-Six), Interest amounting to **Nu. 14,235,987.94** (Fourteen Million Two Hundred Thirty-Five Thousand Nine Hundred Eighty-Seven and Ninety-Four), Penalties amounting to **Nu. 765,636.33** (Seven Hundred Sixty-Five Thousand Six Hundred Thirty-Six and Thirty-Three) and total outstanding due as on June 27, 2018 was **Nu. 78,368,390.11** (Seventy-Eight Million Three Hundred Sixty-Eight Thousand Three Hundred Ninety and Eleven) during the registration of the case with District Court as per submission made by Mr. Sonam Jurmey to the District Court:

“བསྐྱུན་འགྲུལ་ཁག་བཅུ་གཅིག་གིས་དོ་བོ་དངུལ་ཁྲམ་ ༤༢,༡༢༣,༠༧༦ (འབྲུམ་རྩུག་བརྒྱེད་གཅིག་ཉིས་ལྷི་སྲུམ་སྟོང་བརྒྱ་མེད་དོན་རྩུག) བམ་པ་  
ལེན་འབག་ཞིན་ན་སྟོན་མ་བཏུབ་པར་ སྤྱི་ཚེས་ ༣༠-༠༦-༢༠༡༨ ཚུན་གྱི་ ཚེས་དེབ་ཁག་༡༡ གིས་ སྐྱེད་དངུལ་ཁྲམ་ ༡༤,༢༣༥,༩༨༧.༩༤/-  
(འབྲུམ་ཚིག་བརྒྱ་བཞི་བཅུ་ཞེ་གཉིས་སྲུམ་ལྷི་ལྷ་སྟོང་དགུ་བརྒྱ་བྱ་བདུན་དང་ཕྱེད་ཁྲམ་གོ་བཞི) བམ་པ་དང་ ཚེས་དེབ་ཁག་༡༡ གིས་ ཉེས་སྐྱེད་  
དངུལ་ཁྲམ་ ༧༦༥,༦༣༦.༣༣/- (བདུན་འབྲུམ་རྩུག་ལྷི་ལྷ་སྟོང་རྩུག་བརྒྱ་སོ་རྩུག་དང་ཕྱེད་ཁྲམ་སོ་ གསུམ) བམ་པ་བཅས་ ཚེས་དེབ་ཁག་༡༡  
གིས་ སྤྱི་ཚེས་ ༣༠-༠༦-༢༠༡༨ ཚུན་གྱི་ ལས་འཛིན་ལུ་བསྐྱེན་འགྲུལ་སྟོན་དགོས་ དངུལ་ ཁྲམ་ ༧༨,༣༦༨,༣༩༠.༡༡/- (འབྲུམ་བདུན་བརྒྱེད་  
བཅུ་བྱ་གསུམ་རྩུག་ལྷི་བརྒྱེད་གསུམ་བརྒྱ་དགུ་བཅུ་དང་ཕྱེད་ཁྲམ་བཅུ་གཅིག)”

On the submissions made by Sonam Jurmey under the supervision of Phub Dorji, the detailed report on their rebuttal submissions as a representative of the RICBL from the District Court to Supreme Court and further appeal to the Office of the Gyalpoi Zimpon is explained in detail for

Hon'ble Dasho's understanding of the whole case, its implications and wrongful acts committed by them:

## 1. Background of the case

The Legal Department of RICBL filed a loan recovery suit against Ugyen Wangchuk C/o Druk Tsentop Construction & his sister Tshering Pem, in the Thimphu Dzongkhag Court on loan default case for 11 loan accounts on June 27, 2018 for total outstanding due amounting to **Nu. 78,368,390.11** (Seventy-Eight Million Three Hundred Sixty-Eight Thousand Three Hundred Ninety and Eleven).

During the court proceedings, the Management had sanctioned a new loan **BGE/2019/5** amounting to **Nu. 4,290,930.30** (Four Million Two Hundred Ninety Thousand Nine Hundred Thirty and Thirty) on May 22, 2019, despite the case being *sub judice* and the same was included in the case on September 9, 2019 for which this particular loan wasn't included during the registration of the case with the District Court. Due to this the District Court Judgment final outstanding due in Principal amounted to **Nu. 71,187,440.75** (Seventy-One Million One Hundred Eighty-Seven Thousand Four Hundred Forty and Seventy-Five), Interest Amounted to **Nu. 25,224,258.36** (Twenty-Five Million Two Hundred Twenty-Four Thousand Two Hundred Fifty-Eight and Thirty-Six) and Penalties amounted to **Nu. 96,411,699.11** (Ninety-Six Million Four Hundred Eleven Thousand Six Hundred Ninety-Nine and Eleven) as detailed hereunder.

### Loan Details for Mr. Ugyen Wangchuk

Sl No	Loan Account Number	Client Name	Sanction Amount	Interest & Penalties	OS Balance
1	CDL1/2016/409	Ugyen Wangchuk	3,000,000.00	1,570,136.57	4,570,136.57
2	CRSC1/2016/168	Ugyen Wangchuk	5,000,000.00	2,462,903.47	7,462,903.47
3	PLCONSUMOD/2012/217	Ugyen Wangchuk	3,946,708.60	1,551,890.48	5,498,599.08
4	PLCONSUOD1/2012/31	Ugyen Wangchuk	16,500,000.00	7,432,695.08	23,932,695.08
5	BLOD1/2017/512	Ugyen Wangchuk	7,500,000.00	3,299,021.87	10,799,021.87
6	CRCS/2010/84	Ugyen Wangchuk	8,011,732.85	(58,981.60)	7,952,751.25
7	BLTERM1/304	Ugyen Wangchuk	3,300,000.00	1,246,721.53	4,546,721.53
8	HCLN2/2015/123	Ugyen Wangchuk	10,000,000.00	5,116,294.39	15,116,294.39
9	CRCS1/2018/371	Ugyen Wangchuk	5,638,069.00	1,431,774.24	7,069,843.24
			<b>62,896,510.45</b>	<b>24,052,456.03</b>	<b>86,948,966.48</b>

### Loan Details for Mr. Ugyen Wangchuk (Sanctioned on May22, 2019 during the Case)

Sl No	Loan Account Number	Client Name	Sanction Amount	Interest & Penalties	OS Balance
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10	BGE/2019/5	Ugyen Wangchuk	4,290,930.30	85,583.48	4,376,513.78
			<b>4,290,930.30</b>	<b>85,583.48</b>	<b>4,376,513.78</b>

#### Loan Details for Mrs. Tshering Pem (Sister of Ugyen Wangchuk)

<i>Sl No</i>	<i>Loan Account Number</i>	<i>Client Name</i>	<i>Sanction Amount</i>	<i>Interest &amp; Penalties</i>	<i>OS Balance</i>
11	PLCONSUME1/2012/51	Tshering Pem	2,000,000.00	132,825.51	2,132,825.51
12	PLCONSUOD1/2014/244	Tshering Pem	2,000,000.00	953,393.34	2,953,393.34
			<b>4,000,000.00</b>	<b>1,086,218.85</b>	<b>5,086,218.85</b>

#### Total Loan Details for Ugyen Wangchuk with Tshering Pem

<i>Sl No</i>	<i>Loan Account Number</i>	<i>Client Name</i>	<i>Sanction Amount</i>	<i>Interest &amp; Penalties</i>	<i>OS Balance</i>
	<b>12 Loan Accounts</b>	<b>Ugyen Wangchuk &amp; Tshering Pem</b>	<b>71,187,440.75</b>	<b>25,224,258.36</b>	<b>96,411,699.11</b>

## 2. Judgement of the Courts.

### 1.1. Dzongkhag Court's Judgment Summary

- 1.1.1. While the Principal amounting to **Nu. 71,187,440.75** (Seventy-One Million One Hundred Eighty-Seven Thousand Four Hundred Forty and Seventy-Five) has to be paid by the client, Ugyen Wangchuk to the RICBL; Interest and Penalties outstanding amounting to **Nu. 25,224,258.36** (Twenty-Five Million Two Hundred Twenty-Four Thousand Two Hundred Fifty-Eight and Thirty-Six) was to be borne equally in half amounting to **Nu. 12,612,129.18** (Twelve Million Six Hundred Twelve Thousand One Hundred Twenty-Nine and Eighteen) each by RICBL and Ugyen Wangchuk.
- 1.1.2. The Mortgage Properties was to be seized in case the client fails to pay the loan within 6 months from the date of judgement.
- 1.1.3. Mr. Ugyen Wangchuk was to face 1 year 6 months imprisonment term for selling the mortgaged property without RICBL's consent and mortgaging the property at Depsi with RICBL and BIL.
- 1.1.4. Land Record officer of NLC of Thimphu Dzongkhag to be taken administrative action for lapses on noting of mortgaged property.
- 1.1.5. Mrs. Dechen Peldon to pay Nu.3 million with interest within 6 months and if she fails, RICBL to seize her land measuring 4 acres 30 decimal on T/No. 722, P/no.59/B, 69/I, and 255/D at Gelephu.
- 1.1.6. Mr. Tshering Dorji has to pay insurance of the Prado amounting to Nu. 95,295.00 (Ninety-Five Thousand Two Hundred Ninety-Five) to Mrs. Tshering Pem within One month from the day of Judgement.

Both RICBL and Ugyen Wangchuk filed for appeal before the High Court and the High issued the following judgment:

## 1.2. High Court's Judgement Summary

- 1.2.1. Total Principal, Interest and Penalties outstanding for 12 Loan and 7 Bank Guarantees of **Nu. 102,393,280.11** (One Hundred Two Million Three Hundred Ninety-Three Thousand Two Hundred Eighty and Eleven) amounting to **Nu. 34,131,093.37** (Thirty-Four Million One Hundred Thirty-One Thousand Ninety-Three and Thirty-Seven) to be paid equally by **1. Ugyen Wangchuk 2. Dealing/Relevant Employees and 3. Management of RICBL.**
- 1.2.2. The properties mortgaged against 12 loan accounts of Ugyen Wangchuk, the charge of which have been appropriately registered were to be seized and auctioned by Royal Insurance Corporation of Bhutan Limited and adjusted against the loans.
- 1.2.3. On the breach of contract and regarding other issues, the judgement of the Dzongkhag Court should be complied with.
- 1.2.4. The 1 year and 6 months imprisonment sentence given to Ugyen Wangchuk is nullified.

## 1.3. Supreme Court

On Appeal before the Supreme Court, the Supreme Court dismissed the appeal by RICBL and upheld the High Court's judgment.

## 1.4. Office of Gyalpoi Zimpon

The case was then appealed before the Hon'ble Office of the Gyalpoi Zimpon, which was dismissed.

## 2. Legal representation of the Case

As the legal representative of RICBL, Legal Officer Sonam Jurmey was unable to convince the Dzongkhag Court about the financial workings and procedures as per the Credit Manual 2011 on the the credit loan sanction. He represented RICBL as authorised by Mr. Phub Dorji, the Head of the Legal Department, and was required to present the case principally to recover the outstanding loan principal, interest, and penalties that had accumulated due to non-repayment by Ugyen Wangchuk and Tshering Pem.

Mr. Sonam Jurmey is a paralegal who claims to have vast experience with the judiciary and currently second in command to Phub Dorji, GM of the Legal Department. However, due to his limited knowledge of RICBL's finance and credit workings, it appears that instead of defending RICBL and its employees, some of whom were initially summoned to the district court, he under the supervision of Phub Dorji failed to represent the RICBL, Management and its staff. In this regard, we believe that both Mr. Sonam Jurmey and Mr. Phub Dorji may have committed gross negligence representing RICBL and its employees. **Nowhere has Mr. Sonam Jurmey nor Mr. Phub Dorji has been authorised by us (the undersigned) to represent us for any court cases before any courts. But it has now come to undeniable circumstances that they have represented us in this case without our knowledge or power of attorney from us.**

- 2.1. The Legal Department and its representative were unable to convince the court about how RICBL operated under the earlier management team, prior to 2018, despite the existence of evidence that was never presented in defence of the loan disbursements

and recoveries, which were largely based on verbal instructions. For example, when loan CRCS/2010/84 was sanctioned, CIB was not yet formally in operation, and as a result, a loan clearance certificate was obtained from all FIs through fax. Additionally, the RICBL Credit Manual 2011 did not require clients to submit written loan withdrawal applications, as RICBL is a non-banking financial institution that does not allow cheques, debit cards, or internet banking facilities. Consequently, most transactions were approved telephonically. Lastly, the representative did not inform the court that only one person could not withdraw funds from a client's loan account, and that there were checks and balances in place that involved officials from the finance department to verify such transactions. This is clearly stated in the CEO's letter to the Royal Monetary Authority on the practice of workings under verbal instructions and officials emails to the CEO by the senior managers.

- 2.2. Between 2010 and 2018, clients could request to withdraw loans either verbally or in writing, and two authorized officials would process the request and send it to the finance and accounts department for final release/payment. However, during this court case related to 12 Loan Accounts and 7 Bank Guarantees of Ugyen Wangchuk and Tshering Pem, the Legal Department's representative convinced the court that RICBL was acting on the whims of its management and staff. Although multiple employees were involved in the transactions, the representative only called a few to testify in court, leading to the naming those officials in the Case Summary. Despite the fact that officials from the finance and accounts department were the final authority to release loans, they were not called to provide further justification in court or held liable after the appeal was dismissed by the Office of Gyalpoi Zimpon. Upon closer examination of the evidence presented in court regarding the current General Manager Mr. Phub Dorji of the Legal Department and their involvement in the Management Committee's decision to grant Mr. Ugyen Wangchuk a time extension to regularize the loan and the sanctioning of BGE/2019/5 where by, Phub Dorji might have to be implicated by enforcing the judgement in its entirety and additionally, may also lead to the implication of the current management and Board Members being held liable for sharing 1/3rd of the portion as 1. A party to RICBL's management, as well as sharing 1/3rd of the liability as 2. A party to the Dealing Officials.
- 2.3. The representative's failure to explain why Ugyen Wangchuk did not raise concerns about the unauthorized withdrawals and deposits from his and his sister's loan accounts until the case reached court remains unaddressed. Moreover, although Mr. Sonam Jurmey initially filed a money suit regarding 11 loan accounts, an additional loan account (BGE/2019/5) was added to the judgment without being thoroughly discussed during the hearing, leaving unclear how he managed to convince the court to include it. It is worth noting that since this loan account also falls under the category of the faults of Management and Dealing Officials, all officials involved in the sanction and approval process should have been included in the 1/3rd each portion of the outstanding loans for both Management and Dealing Officials. However, it appears that RICBL's Legal Department and Legal Representative deliberately misled the Enforcement Department to avoid liability.

- 2.4. The legal officer representing RICBL did not attempt to convince the court that Mr. Ugyen Wangchuk was the actual monetary beneficiary of the unauthorized withdrawals and deposits, and not RICBL or its employees. The Legal Department of RICBL was unable to persuade the High Court and Supreme Court that "greening" is not considered as fault on the part of employees, as the RICBL and the client are the actual beneficiaries of such financial transactions.
- 2.5. Despite Mr. Ugyen Wangchuk being found guilty and sentenced to one year and six months by the Dzongkhag Court for selling mortgaged property without RICBL's permission and double mortgaging the property at Depsi with BIL, RICBL did not pursue criminal charges against him. It remains unclear why RICBL chose not to take such action, given that the judicial system allows for it.

Additionally, the legal representative failed to mention the submissions made by Jigme Namgyal, Jurmey Chetsho, and Tashi Penjor to the District Court in their submissions to the Supreme Court and further appeal to His Majesty the King. It is also unclear how the legal representative narrowed down the involvement to only four employees when the case summary, judgement, and order of the High Court judgement suggest the involvement of close to 50 or more employees for the 12 Loans and 7 Bank Guarantees. This omission leaves out a significant portion of the details and raises questions about the legal representative's approach to the case.

Ultimately, it will be up to the Hon'ble DASHO's wisdom and judgment to interpret the situation and make a fair decision if there were personal motives whereby the legal department used their functions to implicate the unfortunate four?

- 2.6. After the District Court Judgment on December 12, 2019, and during the appeal hearing at the High Court, the Supreme Court issued an order on August 24, 2021, barring Paralegals from representing as Jabmi. It is unclear why the legal department of RICBL allowed a Paralegal Sonam Jurmey without a Bar Certificate to continue representing in the Supreme Court, especially when the High Court's judgment was not in favour of RICBL. The decision to continue with the Paralegal representation may have caused more harm to RICBL's case, and it raises questions about the legal department's competence in handling the matter.
- 2.7. In addition to the above, the legal representative has failed in each of the courts as follows:

#### 2.7.1. Dzongkhag Court

- 2.7.1.1. During the registration of the Case, the total outstanding amount was **Nu. 78,368,390.11** (Seventy-Eight Million Three Hundred Sixty-Eight Thousand Three Hundred Ninety and Eleven) which includes (1) Principal Amounting to **Nu. 62,123,076.00** (Sixty-Two Million One Hundred Twenty-Three Thousand Seventy-Six), (2) Interest amounting to **Nu. 14,235,987.94** (Fourteen Million Two Hundred Thirty-Five Thousand Nine Hundred Eighty-Seven and Ninety-Four), and (3) Penalties amounting to **Nu. 765,636.33** (Seven Hundred Sixty-Five Thousand Six Hundred

Thirty-Six and Thirty-Three). However, on statement submitted on September 9, 2019, the amount has changed to **Nu. 96,411,699.11** (Ninety-Six Million Four Hundred Eleven Thousand Six Hundred Ninety-Nine and Eleven) which includes the new loan sanctioned amounting to **Nu. 4,376,513.78** (Four Million Three Hundred Seventy-Six Thousand Five Hundred Thirteen and Seventy-Eight) which was added during the case hearing. This is illegal act of the legal representatives and the supervising officer.

- 2.7.1.2. The sanction of new loan BGE/2019/5 on May 22, 2019 amounting to **Nu. 4,376,513.78** (Four Million Three Hundred Seventy-Six Thousand Five Hundred Thirteen and Seventy-Eight) during the hearing for which it wasn't even listed in the initial amount while registration of the case seems questionable act by the Legal Department of RICBL.
- 2.7.1.3. Further, the final figure of **Nu. 96,411,699.11** (Ninety-Six Million Four Hundred Eleven Thousand Six Hundred Ninety-Nine and Eleven) after deducting the new loan of **Nu. 4,376,513.78** (Four Million Three Hundred Seventy-Six Thousand Five Hundred Thirteen and Seventy-Eight) and deducting initial claims of **Nu. 78,368,390.11** (Seventy-Eight Million Three Hundred Sixty-Eight Thousand Three Hundred Ninety and Eleven) amounts to **Nu. 13,666,795.22** (Thirteen Million Six Hundred Sixty-Six Thousand Seven Hundred Ninety-Five and Twenty-Two) which are interest and penalties accumulated from registration of the case on June 27, 2018 to September 9, 2019 when the statement to the court was submitted. However, the calculations of the interest and penalties if any, if the court decides to award, then the court calculates from the date of the registration of the case till the day of the Judgement. The reference for this calculation can be referred from the High Court Judgement where **Nu. 5,981,581.00** (Five Million Nine Hundred Eighty-One Thousand Five Hundred Eighty-One) was awarded as interest during the case hearing.
- 2.7.1.4. There has been a loss of **Nu. 2,722,895.46** (Two Million Seven Hundred Twenty-Two Thousand Eight Hundred Ninety-Five and Forty-Six) in interest lost due to the Legal Representative and his Supervisor's carelessness by submitting the statement on September 9, 2019. This resulted in **113** days interest loss for 12 Loans and 7 Bank Guarantees until the judgement was rendered on December 12, 2019. The amount of **Nu. 2,722,895.46** (Two Million Seven Hundred Twenty-Two Thousand Eight Hundred Ninety-Five and Forty-Six) is calculated on average interest rate of 13% p.a. for **113** days on **Nu. 67,655,333.14** (Sixty-Seven Million Six Hundred Fifty-Five Thousand Three Hundred Thirty-Three and Fourteen), which remained as Principal outstanding as of September 9, 2019.
- 2.7.1.5. We, Jigme Namgyal, Jurmey Chetsho and Tashi Penjor were summoned to testify as witnesses by the court during the hearing at the District Court and as the legal representative, the court and the defendant were satisfied with the justifications provided and hence, they weren't mentioned in the Judgement by the District Court.
- 2.7.1.6. From the 12 loan accounts and 7 Bank Guarantees, the judgement of the District Court clearly mentioned in detail explaining in detail how RICBL and Ugyen Wangchuk faulted on the documentation, verification, release of payment and recoveries.

## 2.7.2. High Court

- 2.7.2.1. The basis for the appeal to the High Court was due to the fact that the Interest and Penalties were shared equally between the parties RICBL and Ugyen Wangchuk which was a huge loss of public funds lost due to the handling and representation by the Legal Department.
- 2.7.2.2. From the District Court's Judgement, of share between the parties, only Interest and Penalties were changed to Principal, Interest and Penalties outstanding for 12 Loan and 7 Bank Guarantees of **Nu. 102,393,280.11** (One Hundred Two Million Three Hundred Ninety-Three Thousand Two Hundred Eighty and Eleven) to be paid equally amounting to **Nu. 34,131,093.37** (Thirty-Four Million One Hundred Thirty-One Thousand Ninety-Three and Thirty-Seven) each by **1. Ugyen Wangchuk 2. Dealing/Relevant Officials Employees and 3. Management of RICBL.**
- 2.7.2.3. The Legal Department failed to conduct a detailed review of the 12 Loans and 7 Bank Guarantees as to the dealing officials involved (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་བྱེད་པ) in the Appraisal, Sanctioning, Committee Members, Loan Administration, Execution of the Loan Agreement, Release of Payment and Recovery Management.
- 2.7.2.4. None of the employees of the RICBL were called on the day of Judgment at any stage of hearing at any stage of the courts.
- 2.7.2.5. The Legal Department, in fact, without reading the whole Case Summary, Judgement and Order in the Judgement of the High Court appealed to the Supreme Court.

## 2.7.3. Supreme Court

- 2.7.3.1. The appeal to the Supreme Court was once again represented by Sonam Jurmey under the guidance of Phub Dorji, the GM of the Legal Department. In their appeal letter, it clearly stated that their representation was on behalf of RICBL and its employees, and not just four employees. “མཐོ་གཏུགས་པ་འབྲུག་རྒྱལ་ཉེན་སྲུང་ལས་འཛིན་ཚད་གྱི་ རོ་ཚབ་ རོ་མ་བསོད་ནམས་འགྲུར་མེད་གྱི་སྤུལ་བའི་ བཤེར་ཡིག་འདྲ་བཤུས་ནང་ “ང་བཅས་ལས་འཛིན་དང་ ལས་འཛིན་གྱི་ ལས་བྱེད་པ་ཚུ་ལུ་ག་ཤམ་གསལ་གྱི་ གནད་དོན་””
- 2.7.3.2. In the appeal letter to the Supreme Court by Sonam Jurmey on behalf of RICBL and its employees, it was mentioned that “some of the officials” (ལས་བྱེད་པ་ལ་ཤེས་ཅིག་གིས) summoned before the District Court must be called to question their involvement. However, the Judgement and the Order referred to the party with 1/3rd share as “Dealing Officials” (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་བྱེད་པ). The appeal submission further elaborated on this by stating:



སྐྱོན་འགྲུལ་འབག་འགྲོ་མི་དེའི་ཆ་ཤས་གཅིག་ལས་འགལ་བསྟབ་མ་དགོ་པ་ཅིན་ ཁེབ་སང་ཡོད་ཚད་ཚུན་དབང་  
 ལྷན་ལུ་དང་ རྒྱུ་ལུ་དང་ རྒྱུ་ལུ་དང་ཡོད་ཚད་ལས་འཛིན་དང་ **ལས་བྱེད་པ་ལ་ཤས་ལུ་བཀའ་མི་འདི་** འོས་བབས་འདུག་ག་  
 མིན་འདུག་ཟེར་ཞུ་ བློ་ལོ་ལ། ལས་འཛིན་ལས་སྐྱོན་འགྲུལ་འབག་མི་ཚུ་ ཁོ་རའི་མཐའ་དོན་ལུ་འབག་འགྲོ་བ་མ་  
 གཏོགས་ **ལས་བྱེད་པ་ལ་ཤས་ཀྱི་ལོགས་སྤྱོད་འབད་བའི་སྐབ་བྱེད་གང་ཡང་མེད་པ་མ་ཚད་** **ལས་བྱེད་པ་ཚུ་གིས་**  
**ཐོག་མ་རྫོང་ཁག་ཁྲིམས་ཀྱི་འདུན་སར་** བག་བརྗོད་སྐུལ་བའི་ནང་གསལ་ལ་ ལཱ་འབད་ཐང་གི་སྐྱོར་ལས་ སྟན་ལུ་ཚུ་  
 སྐུལ་བ་མ་གཏོགས་ **དངུལ་ལོགས་སྤྱོད་འབད་ཡོད་པའི་ལོ་རྒྱུ་གང་ཡང་འཁོད་པ་མེད་ཟེར་ཞུ་ནི་དང་** ཆེ་མཐོ་  
 ཁྲིམས་ཞབས་ལས་འབད་རུང་ **འདི་དཔུང་མཚན་ནིའི་དོན་ལུ་** **མི་ངོམ་ཚུ་** **ཆེ་མཐོ་ཁྲིམས་ཀྱི་འདུན་** **སར་འབོད་**  
**འགྲུགས་གནང་དགོ་པ་ཅིག་ཨིན་རུང་** **འགྲུགས་བཅུ་མ་གནང་པར་** ཐང་ཀར་དུ་འཕུན་ཚོད་བཏོན་གནང་མ་མ་ཚད་  
 འཛོལ་བ་ཡོད་པ་སྟེ་གོང་དངུལ་དཔུ་བཤའ་བརྒྱབ་བཀའ་མི་ལུ་ རྒྱོ་ཁག་མ་རྫོགས་ཟེར་ཞུ་ནི་དང་ མངོན་མཐོ་  
 ཁྲིམས་ཞབས་ལས་འབད་རུང་ རྩ་ཁྲིམས་སྐྱོན་ཐབས་ལུ་གཟེགས་ཏེ་ ལས་བྱེད་པ་ཁོང་ར་ཚུ་ཁྲིམས་འདུན་འབོད་  
 འགྲུགས་གནང་ནི་ན་ དབྱེ་ཞིབ་མཚན་ནིའི་གསོལ་འདེབས་ལུ་དོན་ མཐོ་གཏུགས་ལུ་ལྷ་ཨིན་ལགས།

Based on the above submission, it is evident that there is confusion regarding the interpretation of the term "Dealing Officials" (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་བྱེད་པ) by the Legal Department and representative Sonam Jurmey. They interpreted it as referring to "some of the officials" (ལས་བྱེད་པ་ལ་ཤས་ཅིག་གིས་) summoned by the District Court and believed that those officials should be called to question their involvement. However, there is confusion regarding the consideration of the four officials mentioned in the High Court Judgment and the officials summoned by the District Court.

According to the appeal letter, the four officials made liable as per the Enforcement at the District Court by RICBL were Jigme Namgyal, Ugyen Lhamo, Jurmey Chetsho, and Tashi Penjor. However, the four officials that were actually summoned in the District Court were Jigme Namgyal, Jambay Wangchuk, Jurmey Chetsho, and Tashi Penjor.

This confusion indicates that the Legal Department and representative Sonam Jurmey may not have fully understood their submissions made before the District Court, High Court, Supreme Court, and subsequently to the Office of the Gyalpoi Zimpon. It appears that the legal representative may have misdirected the case to involve the unfortunate four individuals, while the Judgment clearly referred to as "Dealing Officials." Interestingly, from the loan documents submitted as evidence to the District Court, the sanctioning of BGE/2019/5 involved Phub Dorji and the entire management after 2018. However, we have no clear idea as to why Sonam Jurmey acted in such a conflicting manner, but with the guidance of Phub Dorji and the Management, the game plan seems to be preplanned to fixate the case onto four of us only.

2.7.3.3. Furthermore, if we are to believe the interpretation of "Dealing Officials" (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་བྱེད་པ) and "Some of the Officials" (ལས་བྱེད་པ་ཁ་ཤེས་ཅིག་གིས) to be used interchangeably, then the legal representative, Sonam Jurmey, and under the guidance of Phub Dorji, GM of Legal Department of RICBL, committed a crime by taking away the right to justice. They represented the four unfortunate officials in the Supreme Court and to His Majesty the King without seeking Power of Attorney and Legal Representation Form No. 11 and 12 from them.

2.7.4. Office of Gyalpoi Zimpon

2.7.4.1. After the Supreme Court dismissed the appeal and upheld the Judgement of High Court, the CEO Mr. Karma submitted an appeal letter to His Majesty the King through the Office of Gyalpoi Zimpon. The Office of Gyalpoi Zimpon sought clarification on the submissions made by the CEO, and in response, Sonam Jurmey made additional submissions.

2.7.4.2. In the appeal letter submitted to His Majesty the King, it was again asserted that 1/3rd portion of the loans of Ugyen Wangchuk and Tshering Pem for the party referred to as "Dealing Officials" (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་བྱེད་པ) for 12 loan accounts and 7 bank guarantees were fixed on four unfortunate officials. It appears that the legal representative used the terms "some of the officials" (ལས་བྱེད་པ་ཁ་ཤེས་ཅིག་གིས) and "Dealing Officials" (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་བྱེད་པ) interchangeably, which raises questions about the accuracy and understanding of the legal submissions made by Sonam Jurmey and the Legal Department under the guidance of Phub Dorji.

2.7.4.3. In both the letters, the Judgement of the High Court for the Dealing Officials are interpreted by the Management and Legal Representative as follows:

2.7.4.3.1. CEO's submission

༤༽ འབྲེལ་ཡོད་ལས་བྱེད་པ་རྒྱ་གཞི་སྤྲུལ་པར་རྒྱ་མཚོ་འོད་པའི་བརྩམས་ཡོད་པའི་ཁ་གསལ་ལམ་  
 ༤.༡༽ ལས་འཛིན་གྱི་ལས་བྱེད་པ་ འགྲུར་མེད་ཚོས་ཚོགས་གྱིས་ ཞུན་དབང་ཕྱུག་གི་རྩིས་དེབ་ཨང་  
 PLCONSUS- MOD/2012/217 ཚན་མ་ལས་ དངུལ་ཀྱི་མུ་མཚན་ལྷན་ཁང་གི་སྤྱི་ཚོས་༡༤-  
 ༠༢-༢༠༡༢ ལུ་ བཏོན་ཞིན་ན་ ཞུན་དབང་ཕྱུག་གི་རྩིས་དེབ་ཨང་CRCS/2010/84 ཚན་མའི་ནང་  
 བརྩམས་རྒྱལ་ དེ་ལས་ སྤྱི་ཚོས་༢༠-༠༢-༢༠༡༢ལུ་ ཞུན་དབང་ཕྱུག་གི་རྩིས་དེབ་ཨང་CRCS/2010/84  
 ཚན་མ་ལས་ དངུལ་ཀྱི་མུ་མཚན་ལྷན་ཁང་གི་སྤྱི་ཚོས་ལྷན་ཁང་གི་སྤྱི་ཚོས་དེབ་ཨང་ PLCONSUS  
 MOD/2011/ 193 ཚན་མའི་ནང་བརྩམས་རྒྱལ་ཟེར་ལུ་ཞི་དང་ སྤྱི་ཚོས་༢༠-༠༢-༢༠༡༢ ལུ་ ཞུན་དབང་  
 ཕྱུག་གི་ རྩིས་དེབ་ཨང་ CRCS/2010/84 ཚན་མ་ལས་ དངུལ་ཀྱི་མུ་མཚན་ལྷན་ཁང་ འགྲུར་  
 མེད་ཚོས་ཚོགས་གྱི་ རྩིས་དེབ་ཨང་PLCONSUSMOD/2011/166 ཚན་མའི་ནང་བརྩམས་རྒྱལ་ལང་

སྤྱི་ཚེས་ ༡༩-༠༩-༢༠༡༢ ལུ་ རྩོན་དབང་ཕྱུག་གི་ ཕྱི་སྡེ་དེ་བཙམ་ཡང་ CRCS/2010/84 ཚན་མ་ལས་ དངུལ་  
 གམ་ ༡༤,༠༣༧/- ཐམ་པ་འགྲུར་མེད་ཚོས་ཚོགས་གྱི་ཕྱི་སྡེ་དེ་བཙམ་ཡང་ PLCONSUMOD/2011/193  
 ཚན་མ་ལེ་ནང་ རྟོང་དངུལ་ཁག་ ༣ པོའི་ ཡོངས་བསྐྱོམས་དངུལ་གམ་ ༢,༠༡༤,༠༣༧/- ཐམ་པ་བཅུགས་མི་དེ་  
 ཁོང་ར་རྩ་ཕན་ བར་ ས་ཆ་ཉོས་བཅོངས་གྱི་ནང་གན་དང་འཁྲིལ་བཅུགས་ལུག་ཟེར་ལུ་ལྟོ།

༤.༢ ་ ། ལས་འཛིན་གྱི་ལས་བྱེད་པ་ འཛིགས་མེད་རྣམ་རྒྱལ་གྱིས་ སྤྱི་ཚེས་ ༡༩-༠༩-༢༠༡༢ ལུ་ རྩོན་དབང་ཕྱུག་གི་  
 ཕྱི་སྡེ་དེ་བཙམ་ཡང་ CRCS/2010/84 ཚན་མ་ལས་དངུལ་གམ་ ༤༢༣,༤༤༣/- ཐམ་པ་ འཛིགས་མེད་རྣམ་  
 རྒྱལ་གྱི་ ཕྱི་སྡེ་དེ་བཙམ་ཡང་ CDL2008/73 ཚན་མ་ལེ་ནང་བཅུགས་མི་དེ་ ཁོང་ར་རྩ་ཕན་བར་ས་ཆ་ཉོས་  
 བཅོངས་གྱི་ནང་གན་དང་འཁྲིལ་བཅུགས་ལུག་ཟེར་ལུ་ལྟོ།

༤.༣ ་ ། ལས་བྱེད་པ་བཀྲིས་དཔལ་འབྱོར་གྱིས་ སྤྱི་ཚེས་ ༢༣-༠༡-༢༠༡༢ ལུ་ དངུལ་ཤོག་ཡང་ ༠༢༥༤༤ ཚན་མ་ལེ་  
 དངུལ་གམ་ ༡,༠༠༠,༠༠༠/- ཐམ་པ་ རྩོན་དབང་ཕྱུག་གི་ཕྱི་སྡེ་དེ་བཙམ་ཡང་ CRCS/2010/34 ཚན་མ་ལེ་  
 རང་བཅུགས་མི་དེ་ རྩོན་དབང་ཕྱུག་ཁོ་རའི་ཁེ་ཕན་མ་གཏོགས་ ལས་བྱེད་པ་ལུ་ཁེ་ཕན་ག་ནི་ཡང་མིན་  
 འདུག་ ཟེར་ལུ་ལྟོ།

༤.༤ ་ ། ལས་འཛིན་གྱི་ལས་བྱེད་པ་ཚོན་ལྷ་མོ་གིས་ སྤྱི་ཚེས་ ༢༢-༡༢-༢༠༡༢ ལུ་ རྩོན་དབང་ཕྱུག་གི་ལུ་ཚོ་ ཚེ་རིང་  
 པདྨ་གི་ཕྱི་སྡེ་དེ་བཙམ་ཡང་ PLCONSUMOD/2012/217 ཚན་མ་ལས་ དངུལ་གམ་ ༡,༤༤༢,༢༣༥/-  
 ཐམ་པ་ རྩོན་དབང་ཕྱུག་གི་ཕྱི་སྡེ་དེ་བཙམ་ཡང་ CRCS/2010/84 ཚན་མ་ལེ་ནང་བཅུགས་མི་དེ་ཡང་ རྩོན་  
 དབང་ཕྱུག་ཁོ་རའི་ཁེ་ཕན་མ་གཏོགས་ ལས་བྱེད་པ་ལུ་ཁེ་ཕན་ག་ནི་ཡང་མིན་འདུག་ཟེར་ལུ་ལྟོ། རྟོང་  
 འཁྲིལ་ལས་བྱེད་པ་ཚུ་ ཚེ་མཐོ་ཁྲིམས་གྱི་འདུན་སར་ ཐེངས་ཤིག་ར་འབོད་འགྲུགས་མ་གནང་མ་ཚད་ ང་  
 བཅས་ལས་འཛིན་གྱིས་ཚེ་མཐོ་ཁྲིམས་གྱི་འདུན་སར་ འཇུག་ཚོད་མ་གནང་པའི་སྡེ་གོང་ལས་ར་འབྲེལ་ཡོད་  
 ལས་བྱེད་པ་ཚུ་ ཁྲིམས་གྱི་འདུན་སར་འབོད་འགྲུགས་གནང་ཞིན་ན་ འདི་དབྱུང་མཚན་གནང་དགོ་པའི་ལུ་  
 བ་ཡང་ལས་ཡང་ཕུལ་ཡོད་རུང་ ཚེ་མཐོ་ཁྲིམས་ཞབས་ལས་ངོས་ལན་ར་མ་མཚན་པར་ འཇུག་ཚོད་གནང་  
 ཡོད་མི་ལུ་ ལས་འཛིན་གྱིས་ཁེ་རྒྱུད་མ་བཏུབ་པར་ སྤྱི་ཚེས་ ༠༩-༡༡-༢༠༡༡ ལུ་ མངོན་མཐོ་ཁྲིམས་གྱི་  
 འདུན་སར་ མཐོ་གཏུགས་ལུ་ཡོད་ཟེར་ལུ་ལྟོ།

2.7.4.3.2. Sonam Jurmey's submissions

། ། ། རྩོན་དབང་ཕྱུག་གི་སྤྱི་ཚེས་འགྲུལ་ཕྱི་སྡེ་དེ་བཙམ་ཡང་ ལས་འཛིན་གྱི་ལས་བྱེད་པ་གིས་ དངུལ་བཏོན་བཅུགས་ འབད་  
 ཡོད་པའི་སྐོར།

ལས་བྱེད་པ་ལ་ཤེས་ཅིག་གིས་ ཚུང་ལྷོ་རྩོན་དབང་ཕྱུག་གི་གནང་བ་སོགས་གང་ཡང་མེད་པ་ཕྱི་སྡེ་དེ་བཙམ་ཡང་ དངུལ་ཕྱིར་  
 བཏོན་ནང་བཅུགས་ འབད་དེ་འདུག་ཟེར་འཇུག་ཚོད་གནང་མི་དེ་ ཐུགས་བདེན་པས་ཟེར་ལུ་ལྟོ། ཨིན་རུང་ དེ་ལྟར་  
 ལས་འཛིན་གྱི་ལས་བྱེད་པ་གིས་ དངུལ་ཕྱིར་བཏོན་ནང་བཅུགས་འབད་མི་ཚུའི་སྐོར་ལས་ དེ་ལེ་བཞིན་དུ་ གཤམ་གསལ་  
 ལྟར་ ཁྲིམས་འདུན་གོང་འོག་ལུ་ལུས་པ་ལྟར་ སྤྲོད་ཡང་ཁ་གསལ་ ལུ་ལཱ་

- 1) ལས་འཛིན་གྱི་ལས་བྱེད་པ་འགྲུར་མེད་ཚོས་ཚོགས་གྲིས་ �ཚུན་དབང་ཕྱུག་གི་ཕྱིས་དེབ་ཨང་ CRCS/2010/84 ཚན་མའེ་ནང་ སྤྲུལ་གྲུ་ 20-02-2012 ལུ་ཐམ་པ་ དངུལ་གྲུ་ 1,000,000/- འགྲུར་མེད་ཚོས་ཚོགས་གྱི་ ཕྱིས་དེབ་ཨང་ PLCONSUMOD/2011/193 ཚན་མའེ་ནང་ བཅུགས་ལུག་ཟེར་ལུ་ཞི་དང་ ད་རུང་སྤྲུལ་གྲུ་ 20-02-2012 ལུ་ ཚུན་དབང་ཕྱུག་གི་ཕྱིས་དེབ་ཨང་ CRCS/2010/84 ཚན་མའེ་ནང་ དངུལ་གྲུ་ 1,000,000/- ཐམ་པ་ འགྲུར་མེད་ཚོས་ཚོགས་གྱི་ ཕྱིས་དེབ་ཨང་ PLCONSUMOD/2011/166 ཚན་མའེ་ནང་བཅུགས་ལུག་ ཟེར་ལུ་ཞི་ཨིན། ཡང་ སྤྲུལ་གྲུ་ 19-02-2012 ལུ་ ཚུན་དབང་ཕྱུག་གི་ཕྱིས་དེབ་ཨང་ CRCS/2010/84 ཚན་མའེ་ནང་ དངུལ་གྲུ་ 1,000,000/- ཐམ་པ་ འགྲུར་མེད་ཚོས་ཚོགས་གྱི་ ཕྱིས་དེབ་ཨང་ PLCONSUMOD/2011/193 ཚན་མའེ་ནང་ ཞོང་དངུལ་ལག་ 3 པོའི་ ཡོངས་བསྐྱོམས་དངུལ་གྲུ་ 2,016,032/- ཐམ་པ་བཅུགས་མི་དེ་ ཁོང་ར་རྩ་ཕན་བར་ ས་ཆ་ཉོས་བཅོངས་ཀྱི་ནང་གན་དང་ འཕྲིལ་བཅུགས་ལུག་ ཟེར་ལུ་ཞི། ། རྩུར་སྐྱུགས་ XXV )
- 2) ལས་འཛིན་གྱི་ལས་བྱེད་པ་ འཛིགས་མེད་རྣམ་རྒྱུལ་གྱིས་ སྤྲུལ་གྲུ་ 19-02-2012 ལུ་ ཚུན་དབང་ཕྱུག་གི་ཕྱིས་དེབ་ཨང་ CRCS/2010/84 ཚན་མའེ་ནང་ དངུལ་གྲུ་ 23,163/- ཐམ་པ་ འཛིགས་མེད་རྣམ་རྒྱུལ་གྱི་ ཕྱིས་དེབ་ཨང་ CDL/2008/73 ཚན་མའེ་ནང་བཅུགས་མི་དེ་ཡང་ ཁོང་ར་རྩ་ཕན་བར་ ས་ཆ་ཉོས་བཅོངས་ཀྱི་ བཅུགས་ལུག་ ཟེར་ལུ་ཞི། ། རྩུར་སྐྱུགས་ XVI )
- 3) ལས་བྱེད་པ་བཀྲིས་དཔལ་འབྱོར་གྱིས་ སྤྲུལ་གྲུ་ 22-02-2012 ལུ་ དངུལ་ཤོག་ཨང་ 024412 ཚན་མའེ་ དངུལ་གྲུ་ 1,000,000/- ཐམ་པ་ ཚུན་དབང་ཕྱུག་གི་ཕྱིས་དེབ་ཨང་ CRCS/2010/84 ཚན་མའེ་ནང་བཅུགས་མི་དེ་ ཚུན་དབང་ ཕྱུག་ ཁོ་རའི་ལེ་ཕན་མ་གཏོགས་ ལས་བྱེད་པ་ལུ་ལེ་ཕན་ག་ནི་ཡང་མིན་འདུག་ཟེར་ལུ་ཞི། ། རྩུར་སྐྱུགས་ XVII )
- 4) ལས་འཛིན་གྱི་ལས་བྱེད་པ་ཚུན་ལྷ་མོ་གིས་ སྤྲུལ་གྲུ་ 22-02-2012 ལུ་ ཚུན་དབང་ཕྱུག་གི་ལུ་མོ་ ཚོ་རིང་བཞུ་གི་ སྐྱིན་ འགྲུལ་ ཕྱིས་དེབ་ཨང་ PLCONSUME1/2012/51 ཚན་མའེ་ནང་ དངུལ་གྲུ་ 23,164/- ཐམ་པ་ བཏོན་མི་དེ་ ཚུན་དབང་ཕྱུག་ ཁོ་རའི་སྐྱུ་འཁོར་ལེན་ཀྱ་རྩུར་ ཐོ་བཀོད་ཨང་ BP-1-C2080 ཚན་མའེ་ཉེན་བཅོལ་རིམ་སྒོད་ (Premium) ཡིན་པ་དང་ དངུལ་དེ་ ཞོང་འཁོད་སྐྱིན་འགྲུལ་ཕྱིས་དེབ་ནང་ལས་བཏོན་པའི་ གླུ་བཟང་སྤྱི་ རོམ་ཚུན་ དབང་ཕྱུག་གིས་རོམ་ལེན་འབད་ཡོད་པའི་ སྐབ་བྱེད་ payment voucher ནང་ལུ་ རོམ་ཚུན་དབང་ཕྱུག་ཁོ་རའི་ ལག་རྒྱུ་བཀོད་དེ་འདུག་ཟེར་ལུ་ཞི་ཨིན། སྤྲུལ་གྲུ་ 22-02-2012 ལུ་ ཞོང་འཁོད་ཚུན་དབང་ཕྱུག་གི་ལུ་མོ་ ཚོ་རིང་ བཞུ་གི་ སྐྱིན་འགྲུལ་ཕྱིས་དེབ་ཨང་ PLCONSUME1/2012/51 ཚན་མའེ་ནང་ དངུལ་གྲུ་ 2,226,734/- ཐམ་པ་ བཏོན་མི་དེའི་ཐོག་ལས་ དངུལ་གྲུ་ 2,662,124/- ཐམ་པ་དེ་ སྤྲུལ་གྲུ་ 22-02-2012 ལུ་ ཚུན་དབང་ཕྱུག་གི་ཕྱིས་དེབ་ ཨང་ CRCS/2010/84 ཚན་ མའེ་ནང་བཅུགས་ལུག་པ་དང་ དེ་ལས་ དངུལ་གྲུ་ 262,300/- ཐམ་པ་དེ་ PLCONSUMOD/2012/217 ཚན་ མའེ་ནང་ལུ་བཅུགས་ཡོད་པ་ལས་ ཞོང་དངུལ་ཚུ་ ཚུན་དབང་ཕྱུག་ཁོ་རའི་ ལུ་ལེ་ཕན་ཡོད་པ་མ་གཏོགས་ ལས་བྱེད་པ་ རོམ་ཚུན་ལྷ་མོ་ ལུ་ལེ་ཕན་དང་བྱ་སྒྲིད་དེ་ལས་འབད་བའི་མངོན་ རྟགས་གང་ ཡང་མེད་པ་ལས་ ལྷིམས་འདུན་ ཞོང་འོག་ 3 ནས་ རོམ་ཚུན་དབང་ ཕྱུག་གི་སྐྱིན་འགྲུལ་རོམ་ལྷག་ལུས་ རོམ་ཚུན་ལྷ་མོ་ ལུ་ དཔུ་བཤོ་བརྒྱུ་ བསྐྱབ་ནིའི་འགན་འཁུན་ལྷིམས་དགོ་པ་མིན་འདུག་ཟེར་ལུ་ ཞི་ཨིན་ལགས། ། རྩུར་སྐྱུགས་ XVIII ) ཚན་མའེ་ ཡིག་ཆས་སྐབ་བྱེད་ཚུ་བསྐྱར་ཞིབ་མཛད་གནང་ཟེར་ལུ་ཞི་ཨིན་ལགས།

Based on the above, the interpretations by the Legal Department on the 'Dealing Officials' (འབྲེལ་ཡོད་ལས་བྱེད་པ་) and 'Some of the Officials' (ལས་འཛིན་གྱི་ལས་བྱེད་པ་) have

clearly been misinterpreted on the appeal to His Majesty the King of Bhutan, thereby misrepresenting the facts as per the judgment of the High Court.

2.7.4.4. The dealing officials (འབྲེལ་ཡོད་ལས་བྱེད་པ་) as per the judgement are the officials involved with the 12 Loan Accounts and 7 Bank Guarantees while (ལས་འཛིན་གྱི་ལས་བྱེད་པ་) are specifically mentioned in the Part 3 of the High Court Judgement for the Dealing Officials under Point 7 and 8 as (Translated in English as per our understanding):

གཉིས་པ་ འབྲུག་རྒྱལ་ཉེན་སྲུང་ལས་འཛིན་ཚད་ཀྱི་ལས་བྱེད་པ་ཚུ་གིས་ རང་སོའི་འགན་དབང་དང་འགན་ འཁྲི་ཚུ་ཁྲིམས་མཐུན་གྲུབ་པ་མེད་པའི་གྲུལ་ལས་མཁུ་

*Secondly, Employees of the Royal Insurance Corporation of Bhutan Limited failed to carry out their responsibilities with due diligence. This is among the issues that have been identified:*

༧ ། ལས་བྱེད་པ་ལ་ཤེས་ཅིག་གིས་ ཚོད་ལྷོ་ཚོན་དབང་ཕུག་གི་གནང་བ་སོགས་གང་ཡང་མེད་པ་ཕྱིས་ དེ་བ་ཚུ་ རང་དངུལ་ཕྱིར་བསྟོན་ནང་བཅུགས་འབད་དེ་འདུག།

7. Without Ugyen Wangchuk's consent, some employees debited and credited the loan accounts.

༨ ། ཚོད་ལྷོ་ཚོན་དབང་ཕུག་གི་གནང་བ་སོགས་གང་ཡང་མེད་པ་ཁོ་གི་ཕྱིས་དེ་བ་ནང་ལས་དངུལ་ཕྱིར་བསྟོན་ འབད་དེ་ ལས་བྱེད་པ་ལ་ཤེས་ཅིག་གི་སྐར་གྱི་ཕྱིས་དེ་བ་ནང་དངུལ་བཅུགས་ལུག།

8. Without Ugyen Wangchuk's consent, some employees withdrew loans from his account and deposited them into their personal accounts.

Based on the above judgment, it was found that “some of officials” (ལས་བྱེད་པ་ལ་ཤེས་ཅིག་གི) of the RICBL were involved in transactions that were done without the consent of Ugyen Wangchuk. However, the CEO and Legal Officer of RICBL have explained in detail in their submissions to His Majesty the King of Bhutan on how “some of the officials” (ལས་བྱེད་པ་ལ་ཤེས་ཅིག་གི) were involved in transactions related to the Loan Account CRCS/2010/84 and, completely ignoring the fact that other “Dealing Officials” (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་བྱེད་པ་) for the remaining 11 Loans and 7 Bank Guarantees which included the management post 2018 for having sanctioned BGE/2019/5.

2.7.4.5. However, the High Court Judgement as per the Point No. 1 - 6 are as follows for the 12 Loans and 7 Bank Guarantees which the Management and Legal Representative failed to include in their submissions:

གཉིས་པ་ འབྲུག་རྒྱལ་ཉེན་སྲུང་ལས་འཛིན་ཚད་ཀྱི་ལས་བྱེད་པ་ཚུ་གིས་ རང་སོའི་འགན་དབང་དང་འགན་འཁྲི་ཚུ་ ཁྲིམས་མཐུན་གྲུབ་པ་མེད་པའི་གྲུལ་ལས་མཁུ་

Secondly, Employees of the Royal Insurance Corporation of Bhutan Limited failed to carry out their responsibilities with due diligence. This is among the issues that have been identified:

- ༡ ་ བསྐྱོན་འགྲུལ་ཁག་ ༡༢ རྒྱུ་ཤིང་པའི་སྐབས་བསྐྱོན་འགྲུལ་གྱི་ལམ་ལུགས་དང་འཕྲིལ་ཏེ་རྒྱུ་ཤིང་པ་མིན་འདུག།  
1. Credit norms were not followed when sanctioning 12 loans.
- ༢ ་ བསྐྱོན་འགྲུལ་རྒྱུ་ཤིང་པའི་སྐབས་ཀྱི་ཡིག་ཆ་རྒྱ་ལས་འཛིན་གྱི་བྱ་འགོའི་ལམ་ལུགས་ལྟར་དབྱེ་བ་དཔྱད་པ་མིན་འདུག།  
2. The documents were not thoroughly checked and verified during the loan sanctioning process, as per the procedures of the Royal Insurance Corporation of Bhutan Limited.
- ༣ ་ བསྐྱོན་འགྲུལ་གྱི་གཏའ་མའི་རྒྱ་དངོས་ལེན་པའི་སྐབས་ལས་འཛིན་གྱི་བྱ་འགོའི་ལམ་ལུགས་ལྟར་དབྱེ་བ་དཔྱད་པ་མིན་འདུག།  
3. The properties used as collateral for the loans were not thoroughly checked and verified as per the procedures of the Royal Insurance Corporation of Bhutan Limited.
- ༤ ་ བསྐྱོན་འགྲུལ་གྱི་གཏའ་མ་དངོས་སུ་མེད་རུང་གཏའ་མའི་ཡིག་ཆ་གྲུར་རྒྱུ་ལུགས་ཐོག་ལུ་ཡོད་ལུགས་བཀོད་དེ་བསྐྱོན་འགྲུལ་བོར་ཆེ་བར་རྒྱུ་ལུགས། (Six storied building at Changzamtog)  
4. A large loan was sanctioned on the tampered mortgage document, falsely claiming that a six-story building in Changzamtog was being used as collateral, when in fact it did not exist.
- ༥ ་ སྤྱི་ལོ་བསྐྱོན་འགྲུལ་གྱི་ཐོབ་ལམ་ཡོད་མེད་ཀྱི་བལྟ་རྟོགས་འབད་བ་མིན་འདུག།  
5. The eligibility of the loans (CIB) was not properly assessed or analyzed.
- ༦ ་ རྒྱུ་ཤིང་པའི་སྐབས་ཀྱི་གན་འཛིན་ཡིག་ཆ་རྒྱ་ལས་འཛིན་འཕྲི་ཅན་དང་བསྐྱོན་འགྲུལ་དང་འབྲེལ་བ་ཡོད་མི་རྒྱ་གཞི་ལག་བྲིས་ཁྲིམས་མཐུན་ལེན་པ་མིན་འདུག།  
6. The signatures in the loan agreements and documents were not obtained by the responsible credit officials.

The judgment rendered on 1/3<sup>rd</sup> portion for the party as "Dealing Officials" (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་བྱེད་པ) included all relevant officials for 12 loans and 7 bank guarantees, including those "some of the officials" (ལས་བྱེད་པ་ཁ་ཤེས་ཅིག་གི) under points 7 and 8. They all were to share 1/3<sup>rd</sup> portion of the loan, interest, and penalties of Ugyen Wangchuk amounting to Nu. 34,131,093.37 (Thirty-Four Million One Hundred Thirty-One Thousand Ninety-Three and Thirty-Seven) and not only four unfortunate officials named in the Case Summary. Alternatively, if the legal representative and management were being reasonably fair, "some of the officials" (ལས་བྱེད་པ་ཁ་ཤེས་ཅིག་གི) should have been made liable for the above sanctioned for loan under CRCS/2010/84.



1. PLCONSUME1/2012/51
2. PLCONSUMOD/2012/217
3. PLCONSUMOD/2012/31
4. BLTERM1/2015/302
5. PFSLIMPORT/2009/160
6. PLCONSUMOD/2012/230

As per the interpretations of the Chief Executive Officer and the Legal Department and representative Sonam Jurmey in their submission to the His Majesty the King of Bhutan, if the dealing/relevant officials (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་བྱེད་པ) are supposedly the some of the Officials (Point 7 & 8) mentioned in the Case Summary, then the officials involved in the above 6 Loans Accounts must be identified and the list submitted to the Enforcement Division of the District Court for their share of the liability.

2.7.4.7. The Office of Gyalpoi Zimpon has requested an English translation of the District Court and High Court judgements. However, the translated version of the High Court judgement and order has been completely altered to mean something different, presumably to only implicate the four officials involved in the transactions in the CRCs/2010/84 case. The two versions are presented below:

བཀའ་རྒྱ།

ཀ། ཚོད་ལྷོ་ལྷོ་དབང་ཕྱུག་གིས་ སྤྱི་ཚེས་ ༠༤.༠༦.༢༠༡༠ ལས་ཚུར་ཚུལ་དེབ་ཁག་༡༢ ལུ་འབྲུག་རྒྱུ་ཉེན་  
 སྲུང་ ལས་འཛིན་ཚད་ལས་བསྐྱེན་འགྲུལ་ལེན་པའི་སྐབས་སུ་བསྐྱེན་འགྲུལ་གྱི་འགན་རྒྱ་འདི་འབྲུག་རྒྱུ་ཉེན་  
 སྲུང་ལས་འཛིན་ཚད་དང་ ཚོད་ལྷོ་ལྷོ་དབང་ཕྱུག་གན་རྒྱ་འདི་ནང་ས་ཡིག་ཁ་ཤས་ལྷོན་དབང་ཕྱུག་དང་  
 གཞན་མི་དོ་ཚོ་རིང་པོ་གིས་ཡང་བརྒྱབ་བརྩུག་ གཉིས་ཀྱི་བར་ན་བཟོས་ཡོད་རུང་ཡོད་པའི་ཁར་བསྐྱེན་  
 འགྲུལ་ སློན་པའི་ནམ་དུས་ཚོད་ལྷོ་གི་ །CIB། ཞིབ་དཔྱད་འབད་བ་མིན་འདུག་པ་དང་འབྲུག་རྒྱུ་ཉེན་  
 སྲུང་ལས་འཛིན་ཚད་ནང་ལུ་འབད་མི་ལས་བྱེད་པ་ཁ་ཤས་ཀྱིས་ལྷོན་དབང་ཕྱུག་ལས་གནང་བ་མེད་པར་ལྷོན་  
 དབང་ཕྱུག་གི་ཚུ་དེབ་ནང་ལས་དངུལ་ཁང་གི་ལམ་ལུགས་དང་མ་འཁྲིལ་བར་དངུལ་ཕྱིར་བཏོན་དང་ཚུར་  
 བརྩུགས་འབད་བའི་འཛོལ་བ་ཡོད་པ་མ་ཚད་ཚུལ་དེབ་འདི་ན་། Bank Guarantee །བསྐྱོམས་ཁག་  
 །དེ་ཅིག་བཏང་ཡོད་མི་གི་དངུལ་འདི་ཚུ་ཡང་ཚུལ་དེབ་འདི་གི་ཐོག་ཁར་ཡིག་ཆས་ཚུ་ཚུལ་མཐུན་གང་ཡང་  
 མེད་པར་བསྐྱེན་འགྲུལ་འདི་གི་ཐོག་ཁར་བསྐྱབ་ཡོད་པའི་མངོན་གསལ་འབྱུང་བ་དང་ཚུལ་དེབ་འདི་ནང་  
 བསྐྱེན་ཚབ་བསྐྱབ་མི་ཚུ་དབྱེ་ཞིབ་འབད་མ་ད་ལྷོན་དབང་ཕྱུག་ཁོ་རའི་ཁ་ཐུག་ལས་བསྐྱབ་བསྐྱབ་མེན་པར་  
 འབྲུག་རྒྱུ་ཉེན་སྲུང་ལས་འཛིན་ཚད་ཀྱིས་ལམ་ལུགས་དང་མ་འཁྲིལ་བར་བསྐྱེན་འགྲུལ་གསར་པ་ལེན་ཡི་  
 ལེན་ཡི་ར་ཚུལ་དེབ་རྒྱུ་མཐུག་བསྐྱབ་ཡོད་པའི་འཛོལ་བ་ཅུ་མན་ཚུ་ལུ་ཡོད་པ་ལས་ རྒྱུ་སྤྱི་ཁྲིམས་ཀྱི་  
 གཞི་ཚུ་ །When both parties are at fault the loss has to be shared  
 equally ། ཟེར་མི་དང་མངོན་མཐོ་(རྒྱུ་ཁྲིམས་༡༢-༡༠)༤/༡/༢༠༡༢ ཅན་མའི་དཔེ་གཞི་འབྲུན་ཚད་དང་



འཇིགས་ སྤྱི་ཚེས་ ༢༡.༡.༢༠༢༡ རྒྱུ་བསམ་གསལ་ཡོད་ པའི་ངོ་བོ་དང་སྐྱེད་ཉེས་སྐྱེད་བསྐྱོམས་དངུལ་ཀྱི་མ་  
 ༡༠༢,༣༩༣,༤༤༠.༡༡/- རྒྱུ་ཡ་གཅིག་བརྒྱ་གཉིས་དང་ གསུམ་འབྲུམ་དགུ་མི་སུམ་སྟོང་གཉིས་བརྒྱ་བརྒྱད་ཅུ་  
 དང་ཕྱེད་ཀྱི་མ་བརྒྱ་གཅིག་ཀྱི་ བོ་ རྒྱུངས་རྒྱུད་འབྲེལ་མཉམ་བཀའ་ཉེ་ རེ་རེའི་སྟེང་ཁར་ དངུལ་ཀྱི་མ་  
 ༣༤,༡༣༡,༠༩༣.༣༧/- རྒྱུ་ཡ་སུམ་བརྒྱ་སོ་བཞི་དང་ ཚིག་འབྲུམ་ སུམ་མི་གཅིག་སྟོང་དགུ་བརྒྱ་གོ་གསུམ་  
 དང་ཕྱེད་ཀྱི་མ་སོ་བརྒྱའི་ བོ་ སྐབས་འབབ་པའི་ཚུན་བཤེར་དེ་ནང་ གོང་འཁོད་ཀྱི་ཚེད་དམིགས་ཀྱི་ལོ་རྒྱུ་བ་  
 རྒྱུད་བརྩམས་མི་ ལུ་ཕན་ དང་པ་ རྩོན་དབང་ལྷན་གཉིས་པ་འབྲེལ་ གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་  
 རྒྱུ་ལ་དང་ གསུམ་པ་ འབྲུག་ཉེན་སྲུང་ ལས་འཛིན་ཚད་བཅས་ལུ་ དཔུ་གསུམ་ལུ་དབྱེ་འདི་དཔུ་རེ་སྟེན་  
 ཡོད་མི་འདི་ དངུལ་ཁང་གི་ལས་ལུགས་དང་འཇིགས་ འཇུག་ཚོད་ གནང་བའི་ཉིན་ལས་འགོ་བཟུང་ དུས་  
 ལུན་རྒྱུ་རོ་ལྷོ་ནང་འཁོད་ཁོང་རའི་བཤོ་བཤེར་འདི་ ཚད་སྐྱིགས་ འབྲུག་རྒྱུ་ཉེན་སྲུང་ལས་འཛིན་ཚད་ལུ་  
 བསྐྱབ་དགོས་པར་འཇུག་ཚོད་གནང་གྲུབ་པ་དང་

**Order (English Translation by RICBL submitted to Office of the Gyalpoi Zimpon)**

(A) Although the loan agreement in respect of the loan amount of **Nu. 3,000,000/-** (Three million) availed by the defendant Ugyen Wangchuk from the Royal Insurance Corporation of Bhutan Limited **on 04/06/2010** vide loan account No. **CRCS/2010/84** was made to be executed between the defendant Ugyen Wangchuk and the Royal Insurance Corporation of Bhutan Limited as per Section 16 of the Contract Act of Bhutan and Section 35 of the Evidence Act of Bhutan, the signature in the agreement was signed by Ugyen Wangchuk’s sister Tshering Pem as per Section 3 and 4 of the Evidence Act of Bhutan. Further, CIB report of the defendant has not been verified while sanctioning the loan, and without the consent of Ugyen Wangchuk, some of the employees of the Royal Insurance Corporation of Bhutan Limited have withdrawn and deposited the money against Ugyen Wangchuk’s loan account No. **CRCS/2010/84** without his consent and without adhering to the banking norms. Further, as per Section 3 and 4 of the Evidence Act of Bhutan, it has been proven that a total seven (7) Bank Guarantee encashment amount has been merged in this loan account without any proper documentation. While examining the repayments made against this loan account, it has been established that Ugyen Wangchuk has not made any repayment in this loan account but rather the Royal Insurance Corporation of Bhutan Limited has sanctioned new loans and closed old loan accounts without following the norms. Therefore, since both the parties are at fault, as per section 22 of the Movable and Immovable Properties Act of Bhutan and as per the Principle of International Law which states that “When both the parties are at fault the loss has to be shared equally” and as per the judgment rendered by the Supreme Court vide (Hung-Om 18-10) 4/7/2018, the total principal amount, interest and late fee as of 31/07/2021 amounting to Nu. 102,393,280.11/- (One Hundred Two Million Three Hundred Ninety-Three Thousand and Two Hundred Eighty and Chetrum Eleven) has to be shared equally between the parties thereby each party responsible for the aforementioned lapses firstly, Ugyen Wangchuk, secondly, the relevant employees of the bank, and thirdly, the Royal Insurance Corporation of Bhutan Limited liable for Nu.34,131,093.37/- (Thirty-Four Million

One Hundred Thirty-One and Ninety Three and Cheltrum Three Seven) being one-third of total liability must pay their share of liability to the Royal Insurance Corporation of Bhutan Limited within six (6) months from the date of this judgment as per section 56 of the Movable and Immovable Property Act of Kingdom of Bhutan.

**Order (English Translation in actual)**

(A) Although Ugyen Wangchuk has taken out 12 different loans from Royal Insurance Corporation of Bhutan (RICBL) since June 4, 2010, signing some of the loan agreements himself and others signed by Tshering Pem. During the loan transactions, the defendants' Credit Information Bureau (CIB) report was not verified. Some RICBL employees debited and credited the loan accounts without Ugyen Wangchuk's consent, and seven bank guarantees were merged with the loan accounts without proper documentation. Upon further investigation, it was discovered that Ugyen Wangchuk did not make the loan repayments himself, but instead, new loans were sanctioned to close the old ones, which goes against RICBL's loan norms. Based on the reasons above and the international doctrine that "when both parties are at fault, the loss has to be shared equally," and on the Supreme Court Judgement (ལྷན་ཁྲིམས་18-10) on 4/7/2018 states that the principal amount, interest, and penalties as of 31/07/2021, totaling Nu. 102,393,280.11/- (One Hundred Two Million Three Hundred Ninety-Three Thousand Two Hundred Eighty and Chetrum Eleven), must be shared equally between the parties. Therefore, each party is liable for Nu. 34,131,093.37/- (Thirty-Four Million One Hundred Thirty-One and Ninety-Three and Cheltrum Three Seven), including firstly, Ugyen Wangchuk; secondly, the relevant employees of the bank; and thirdly, the Royal Insurance Corporation of Bhutan Limited. The parties are required to settle their liability to the Royal Insurance Corporation of Bhutan Limited within six (6) months from the date of this judgment, as per section 56 of the Movable and Immovable Property Act of the Kingdom of Bhutan.

The translation of the High Court Order by the Legal Department appears to be a clear indication that the four employees named in the Case Summary are being held liable to bear one-third of the loans. The Loan Account No. CRSC/2010/84 amounting to Nu. 3,000,000 (Three Million) and the date of sanction are mentioned to narrow down the dealing officials (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་ཁུངས་ཕྱི་དོན་པོ) only to Jigme Namgyal, Jurmey Chetsho, Ugyen Lhamo, and Tashi Penjor. However, in the original judgement order, there is no such mention.

After the Office of Gyalpoi Zimpon dismissed the appeal, the Management and Legal Department took the following immediate actions:

- i. Issued a Show Cause Notice to the four officials, asking for an explanation on their involvement in the loan default case of Ugyen Wangchuk.
- ii. Conducted a Disciplinary Committee Hearing for the transactions mentioned in the Case Summary for two serving officials, Jigme Namgyal and Ugyen Lhamo.

- iii. Suspended two serving officials, Jigme Namgyal and Ugyen Lhamo, to establish their involvement with the Loan Default Case.
- iv. Ordered to pay one-third of the loan, interest, and penalties to RICBL.

**2.7.4.8.** Apart from **CRCS/2010/84**, the court investigated the faults of employees in six other loan accounts involving of "some of the officials" (ལས་བྱེད་ཁ་ཤེས་ཅིག་གིས་) for which Legal Department should have identified as per the loan documents which were submitted as evidence to the District Court. However, the Legal Department only read the first three pages of the 16 1/2-page Case Summary of the High Court Judgement and concluded that the employees named in the report were at fault. Their focus only on CRCS/2010/84 and four of us as employees baffles us but we understand their intentions now, that, all they were trying to do was to save themselves and the management post 2018 from the High Court Judgement. However, it is clear even to a non-legal person with a little common sense that Legal Department could have been fair to by naming the "some of the officials" (ལས་བྱེད་ཁ་ཤེས་ཅིག་གིས་) of the six loan accounts and all dealing officials (འབྲེལ་གཏོགས་ཡོད་མི་དངུལ་ཁང་གི་ལས་བྱེད་པ) of the 12 loan accounts and 7 bank guarantees. RICBL, as the plaintiff, was to make Ugyen Wangchuk pay the loan, interest, and penalties to for his outstanding loans but by penalizing four implicated employees in multiple different ways; it is clear that the was never meant to win for RICBL and Staff.

#### **2.7.5. Royal Monetary Authority of Bhutan**

During the RICBL appeal submission to Office of Gyalpoi Zimpon, The RMA sent a letter Vide No. RMA/DRS/15/2022/14/3 dated 26 September 2022 to RICBL as follows:

*“We have learnt of a case related to a client named Ugyen Wangchuk (CID no. 10810000162) whose case is being referred to the Office of the Gyalpoi Zimpon for Kidu. The judgement passed by the High Court on 26<sup>th</sup> October 2021 mentioned that employees of RICBL have made transactions from his account without the consent of the client. In this regard, the RICBL is required to submit the following details:*

1. *Profile of the employees and the transaction details (permissibility as per internal code of conduct);*
2. *Review report carried out by internal audit on this case;*
3. *Access to client's account vis-à-vis employees' right to initiate transactions;*
4. *Internal controls of maker and checker policy at the time of transactions;*
5. *Improvement/ changes brought about by the institution to its system/ policy to curb or prevent similar incidents in the future; -*
6. *Details of ensuing actions taken by the Board and management.”*

On this, a report by CEO, RICBL submitted RICBL/CD-LD/O2/2022/10358 dated 29<sup>th</sup> September 2022 and following report were submitted with regards to only four employees while the Case Summary mentioned about 7 Loan Account, however, the details are as follows:

## **Annexure I: Profile Of The Employees and The Transaction Details**

1. *Jurmey Chetsho*
  - i. *Although the abovesaid financial transactions between Mr. Ugyen Wangchuk and Mrs. Jurme Chetsho may be in connection to their sale-purchase transaction of the said land, it is in violation of the Clause 3 of the Code of Conduct enshrined in the Corporate Governance Rules and Regulations, 2020; Sections 22 and 23 of the Code of Conduct/Ethics signed by the employee under the Internal Service Rules and Regulations of the RICBL; and Section 3.22 of the Credit Manual, 2011, which prohibit conflict of interest due to such transactions.*
  - ii. *However, we believe that there is no reason for the Bench-II of the Hon'ble High Court to reverse the Dzongkhag Court's judgment and hold Mrs. Jurme Chetsho liable to bear the loan liability of Mr. Ugyen Wangchuk and Mrs. Tshering Pem. Mrs. Jurme Chetsho's lapses should not benefit Mr. Ugyen Wangchuk and Mrs. Tshering Pem. Mrs. Jurine Chetsho should refund both the principal and interest of the amounts mentioned above if Mr. Ugyen Wangchuk, under oath, can say that he had not verbally authorized Mrs. Jurme Chetsho to debit his loan account to pay for the land he had bought. Otherwise, Mrs. Jurme Chetsho should not be penalized for the money Mr. Ugyen Wangchuk used. Mrs. Jurme Chetsho should certainly face administrative action after the case is resolved.*
2. *Jigme Namgyal*
  - i. *Further, though the abovesaid financial transactions between Mr. Ugyen Wangchuk and Mr. Jigme Namgyal may be in connection to their sale-purchase transaction of the said land, it is in violation of the Clause 3 of the Code of Conduct enshrined in the Corporate Governance Rules and Regulations, 2020; Sections 22 and 23 of the Code of Conduct/Ethics signed by the employee under the Internal Service Rules and Regulations of the RICBL; and Section 3.22 of the Credit Manual, 2011, which prohibit conflict of interest due to such transactions*
  - ii. *However, we believe that there is no reason for the Bench-II of the Hon'ble High Court to reverse the Dzongkhag Court's judgment and hold Mr. Jigme Namgyal liable to bear the loan liability of Mr. Ugyen Wangchuk and Mrs. Tshering Pem. Mr. Jigme Namgyal's lapses should not benefit Mr. Ugyen Wangchuk and Mrs. Tshering Pem. Mr. Jigme Namgyal should refund both the principal and interest of the amounts mentioned above if Mr. Ugyen Wangchuk, under oath, can say that he had not authorized Mr. Jigme Namgyal to debit his loan account to pay for the land he had bought. Otherwise, Mr. Jigme Namgyal should not be penalized for the money Mr. Ugyen Wangchuk used. Mr. Jigme Namgyal should certainly face administrative action after the case is resolved.*
3. *Tashi Penjor*

*Other than withdrawal of Nu. 186,000.00 (One hundred eighty-six thousand) from Mr. Ugyen Wangchuk's loan account, the other two transactions of Nu. 1,000,000.00 (One million) and Nu. 62,000/- (sixty-two thousand) were deposited into Mr. Ugyen Wangchuk's loan account thereby benefiting Mr. Ugyen Wangchuk.*
4. *Ugyen Lhamo*

*Other than withdrawal of Nu. 186,000.00 (One hundred eighty-six thousand) from Mr. Ugyen Wangchuk's loan account, the other two transactions of Nu.*

1,000,000.00 (One million) and Nu. 62,000/- (sixty-two thousand) were deposited into Mr. Ugyen Wangchuk's loan account thereby benefiting Mr. Ugyen Wangchuk.

#### **Annexure 2: Review Report Carried Out By Internal Audit On This Case**

The Internal Audit Department (IAD) was directed by the Board during its 177th meeting held on 15th October 2019 to review all loans sanctioned to Mr. Ugyen Wangchuk and his related party. The findings of the IAD were presented to the 52; 54; and 55th meeting of the Board Audit committee (BAC) held on 9th June 2020; 19th September 2020; and 21st October 2020 respectively. The IAD conveyed the directives of the BAC to the management. However, the IAD reported back to the BAC during its 57th meeting held on 16th December 2020 informing that the credit officers were not able to submit the responses to the IAD observations since the case was under litigation. The IAD is right in opining that no administrative action could be taken against those involved in loans sanctioned to Mr. Ugyen Wangchuk and the related party as per directives of the BAC since the judicial measures have not been exhausted until 13th July 2022 and thereafter, RICBL has appealed to His Majesty the Druk Gyalpo against the judgments of the Hon'ble High Court and the Hon'ble Supreme Court, which is currently being reviewed by the Office of Gyalpoi Zimpon. However, since no administrative action is taken against relevant employees in respect of the said loan case, no internal audit clearances have been issued to the relevant officials. As such, post service benefits of Mrs. Jurme Chetsho and Mr. Tashi Penjor has not yet been paid. Further, the promotion of Mr. Jigme Namgyal has been withheld. Kindly refer Annexure -2 enclosed herewith.

#### **Annexure-3: Access To Client's Account Vis-À-Vis Employees' Right To Initiate Transactions**

All credit officers have access to the Credit system with right to initiate/verify/approve transactions. There is appropriate control mechanism in the system with maker and checker features. Employees' right to initiate transactions were governed by relevant provisions under the Credit Manual, 2011.

#### **Annexure-4: Internal Controls Of Maker And Checker Policy At The Time Of Transactions**

All credit officers have access to the Credit system with right to initiate/verify/approve transactions. However, there is appropriate control mechanism in the system with maker and checker features. Credit Officers are responsible for credit appraisal, documentation, disbursement, administration, monitoring, management, and recovery in compliance with the Credit Manual, 2011. Section 3.18.5 of the Credit Manual, 2011 lays down internal controls of maker and checker for loan disbursement, which states that as follows:

Loan disbursement is made after all necessary covenants and approval conditions have been reviewed and executed, all important documents are obtained, and the title is recorded in case of real estate collateral. The internal controls over loan disbursements are similar to those over any other payments. However, there are two additional features of internal control that should be applied for loan disbursement.

- a. Satisfactory receipt of all the required loan documents should be ascertained before a loan disbursement is granted.
- b. The institution authorizes disbursement only if the request conforms to the loan terms and conditions.

*Once the loan release request is received by the credit officer, the credit officer shall input the data in the system as loan release request, the other credit officer shall verify and process the disbursement in the system and then the release request is moved to Finance and Accounts Department (F&AD) for the disbursement. The accountant in the F&A generates the loan disbursement voucher and get the payment approval from the authorized signatories of cheques.*

*Although credit officers are authorized to access the loan accounts of clients and propose for making necessary adjustments, they have cannot directly make actual adjustments in the loan accounts. Adjustments in the loan accounts can be effected only by the F&AD based on the adjustment note passed by credit officers upon obtaining required consent of the clients in accordance with Section 3.18.5 of the Credit Manual, 2011. Further, Credit Officers are bound to comply with Section 3.22 of the Credit Manual. Kindly refer Annexures-4 (A) enclosed herewith.*

Based on the above submission made by RICBL, the management has conducted a comprehensive investigation pertaining to the loan accounts of Ugyen Wangchuk and Tshering Pem. However, what astonishes us is the fact that none of the findings and reports were submitted to the courts during the hearing and appeal submission to the His Majesty the King. Although verbal consents were an acceptable practice in their own findings for numerous transactions, the RICBL Management and Legal Officials seem to have failed to report the judgement in its entirety. Instead, they focused on four employees, making them liable to bear one-third of the 12 loan accounts of Ugyen Wangchuk and Tshering Pem.

#### **2.7.6. Enforcement Division, District Court**

The enforcement of the High Court judgment was due on January 13, 2023, which was six months after the dismissal of appeal by the Supreme Court. The legal representatives of the four employees were following up with the Enforcement Department of the High Court. As per the information on enforcement shared with the relatives of the employees by Phub Dorji, GM of Legal Department, they were informed that they should be ready with their submissions for the enforcement hearing.

However, on February 1, 2023, the Enforcement Division of the District Court summoned Ugyen Wangchuk, and four employees (only Jigme Namgyal was present as Tashi Penjor was in Mongar, and the other two were in Australia) and the representative of RICBL. The following orders were issued:

- 2.7.6.1.** Seizure orders for the mortgaged assets were issued for Mr. Ugyen Wangchuk.
- 2.7.6.2.** Four employees of RICBL were issued with arrest warrants for the failure to pay the 1/4th share of the 1/3rd portion of the Ugyen Wangchuk and Tshering Pem's loans.
- 2.7.6.3.** Furthermore, the legal representative of the RICBL, Sonam Jurmey, was asked by the Hon'ble Judge if the arrest warrant has to be issued to the CEO or the GM of the Legal Department for the management portion of the 1/3rd of the loans.

Regarding the above, Jigme Namgyal pleaded to the Hon'ble Judge that they were not party to the case and that the judgment stating they were liable for the loans was received only after the RMA enquiry and appeal dismissal by the Office of Gyalpoi Zimpon through a Show Cause Letter, which was received by all four employees on October 3, 2022. Jigme Namgyal further requested an extension of time until the next Monday to appeal to the Office of Gyalpoi Zimpon, but the Hon'ble Judge informed him that it was up to the decision of the RICBL representative, Sonam Jurmey, to allow time extension or not. However, the representative outrightly rejected the appeal for time extension, and the arrest warrants were issued on the same day.

Regarding the 1/3<sup>rd</sup> portion for the Management of RICBL, there was no mention of share of Management of RICBL on the appeal to the Supreme Court, the Office of Gyalpoi Zimpon, or even in the letter submitted for the enforcement on January 13, 2022. It was assumed by the management, the GM of the Legal Department, and the legal representative that the financial adjustment could be made from the public fund of the RICBL to settle the outstanding loans of Ugyen Wangchuk and Tshering Pem, so in the letter there was no mention of the enforcement for the Management. However, during the enforcement, it was made known to the legal representative that the judgment was for the management of the RICBL and to quote Hon'ble Judge "who will bear the management portion? CEO or Legal Head? Or you, as the legal representative". For this, Sonam Jurmey submitted a letter during the hearing stating that the management's 1/3<sup>rd</sup> portion would be appraised to the Board of Directors for "write off," and an action taken report shall be submitted to the court. The entire management was at retreat in Phuntsholing during the enforcement hearing.

From the above, it is clear that the Management and the Legal Department are taking two different stands on the same judgement. Although RICBL submitted to RMA that the four officials did not benefit "unjustly" in any manner, though there were lapses in the documentation of the written consent. The Board, Management, Legal Department, Legal Representative, and the Disciplinary Committee initially transferred those named officials to non-credit departments, withheld promotions, issued suspension orders for the two serving employees, and finally enforced the High Court Judgement unfairly and partially and issuing arrest warrants but on the contrary, the other dealing officials for the 12 Loans and 7 Bank Guarantees and Management are being protected by Phub Dorji and Sonam Jurmey.

Further, the 1/3<sup>rd</sup> portion of the Judgement on Management, Sonam Jurmey, the legal representative, writes a letter stating that the amount payable to RICBL for Ugyen Wangchuk Loan Account shall be "written off" after the Board Meeting. This shows double standards where individual of the Board and Management are protected by Sonam Jurmey and four employees were forced to the extremes punishments.

In addition, the enforcement of the High Court Judgement in partial seems to be intentional. Despite reminding that the four employees cannot be at fault on all the 12 Loans and 7 Bank Guarantees, the legal department ignored reading the Judgement in totality and only took reference from the Case Summary on CRCS/2010/84, for which the names of the four officials were mentioned. As

mentioned in point no. 3.8.4.6, there were many faults in other loan accounts where there was no written consent, which is the same as those four officials, however, this pleas were submitted to the deaf ears of the Board and the Management.

Further, as per the High Court Judgment mentioned above in point no. 2.2.3 "On the breach of contract and regarding other judgements of the Dzongkhag Court should be complied with" the Dzongkhag Court Judgment should have been enforced and hence the following was missed by the Legal Department:

- 2.7.6.4. Land Record officer of NLC of Thimphu Dzongkhag to be taken administrative action for lapses on noting of mortgage property.
- 2.7.6.5. Mrs. Dechen Peldon to pay Nu.3 million with interest to be paid within 6 months and if she fails, RICBL to seize her land measuring 4 acres 30 decimal on T/No. 722, P/no.59/B, 69/I, and 255/D at Gelephu.
- 2.7.6.6. Mr. Tshering Dorji has to pay insurance of the Prado amounting to Nu. 95,295.00 (Ninety-Five Thousand Two Hundred Ninety-Five) to Mrs. Tshering Pem within One month from the day of Judgement.

### **3. When were four officials informed?**

On October 3, 2022, the CEO of RICBL issued a Show Cause Notice to four employees, namely Jigme Namgyal, Jurme Chetsho, Ugyen Lhamo, and Tashi Penjor, asking for an explanation regarding the withdrawal and deposit of funds without Ugyen Wangchuk's consent. After submitting their explanation letters (attached), Jigme Namgyal and Ugyen Lhamo appeared before the Disciplinary Committee on October 30, 2022 which was on a Sunday, and were suspended the following day on October 31, 2022.

On November 2, 2022, the Management issued a letter requiring the four employees to pay one-third of the loan each amounting to Nu.8.5 million by January 13, 2023. During the meeting, the CEO made derogatory remarks about the employees, suggesting that they should "prostrate" themselves and appeal for a "re-litigation" of the case.

Furthermore, the Management monitored the employees' actions and sent a letter to inquire whether they were approaching higher authorities, dated 17<sup>th</sup> Jan 2023.

### **4. How were we involved?**

The Dzongkhag Court summoned Jigme Namgyal, Jurme Chetsho, and Jambay Wangchuk to explain their involvement in the sale of land at Depsi to Ugyen Wangchuk, as well as their withdrawal of funds from his loan account without his written consent. Tashi Penjor was also summoned by the court to explain his withdrawal of Nu.186,000 and Nu.60,000 and deposit of Nu.1 million in Ugyen Wangchuk's loan account. Although Mrs. Ugyen Lhamo was not summoned by the court, Mr. Ugyen Wangchuk's submissions did not specifically name the employees mentioned in the High Court Judgement, but rather referred to the "greening" of accounts without his consent. It was noted that adjustments for such non-performing loan accounts were done almost every year-end, often through verbal consent to benefit both RICBL and its clients. To support these claims, the CEO had personally written to RICBL employees in



2019, and most senior managers replied that transactions were mostly done through verbal consents received over the phone and that "greening" of NPL accounts was done almost for all NPL loan accounts.

## 5. Prayers

Thus, hon'ble Dasho, the above facts *ipso facto* proves that we have been wronged by the legal representative Sonam Jurmey for unauthorised representing us before the courts of law, without our power of attorney, directed by his immediate supervisor Mr. Phub Dorji. Hence, we would like to most honorably pray before the Bar Council as hereunder:

1. From the above ill doings of the Phub Dorji and Sonam Jurmey, they made by selectively implicating four of us and protecting the Management and other dealing officials, acted unprofessionally and may have broken many prevailing laws of the Kingdom of Bhutan as follows:
  - a. Misrepresentation of facts during the hearing.
  - b. Unlawful addition of Loan sanctioned during the case hearing.
  - c. Representation in Supreme Court without Form 11 and 12.
  - d. Misguiding the Enforcement Department by naming only four employees.
  - e. Partial enforcement of the judgement.
  - f. Protecting the Board and Management officials through "write off" commitment.
  - g. Wrongful translation of the Judgement to be submitted to His Majesty the King.
  - h. Allowing a paralegal to represent in Supreme Court.
  - i. Withholding information that the RICBL's portion was for officials of the Management and even Board of Directors from 2010-2019
2. Hon'ble Dasho, the Board and the Management of RICBL under the advice of the Phub Dorji, General Manager of Legal Department, a certified bar council member and under his guidance, Sonam Jurmey, Legal Officer and a certified paralegal member has gravely made a simple case of recovery of loan default and the clear outlined judgement by all Courts into implicating few employees for reasons unknown to us. Hence they should be summoned before the Council and ordered to why not should they be held liable for all the above.
3. Although, it may seem that that our plea placed on before the hon'ble Bar Council for our clemency, but our submission is that the above persons, who are valuable members of the legal fraternity, under the Bar Council, has brought personal plights and acting by diverting the case by penalising an unimaginable amount of **Nu. 34,131,093.37** (Thirty-Four Million One Hundred Thirty-One Thousand Ninety-Three and Thirty-Seven) to be paid into Ugyen Wangchuk Loan Accounts by four of us. Thus, Sonam Jurmey and Phub Dorji should be summoned and ordered why they should not be held liable for intentionally diverting the liability fully on us.

Based on the grounds mentioned above, we would like to request the hon'ble Bar Council, in the interest of equity, justice, good conscience and to uphold the integrity of the legal profession, to take the strictest actions against these two members, Phub Dorji and Sonam Jurmey, to set an example for the people who believe in Certified Jabmi's under Bar Council of

Bhutan. Moreover, since the case is a failure for the shareholders of the RICBL, the 1/3rd portion that was enforced to four of us must be shifted to these two individuals, Phub Dorji and Sonam Jurmey. The hiding of information by two lawyers that the 1/3rd portion of the payment for RICBL is, in fact, onto the Board/Management of RICBL involving 12 Loans and 7 Bank Guarantees from the year 2010-2019, must be shared with the shareholders of the RICBL since we as employees were never given opportunity to present our case which was blocked by the Management and the Legal Department.

Honorable Dasho, if hon'ble dasho feels that there is even the slightest hint of a corruption angle to this case for the actions that four of us has committed for our involvement in the loan default case or the legal representatives may have favored illegally through the court rebuttal submissions for Ugyen Wangchuk, Tshering Pem, Dechen Pelden, and Tshering Dorji, we wish this same case to forwarded to the Anti-Corruption Commission or any other regularity offices, all in the name of equity and justice.

We remain grateful for your kind actions.

Thanking you,

Yours faithfully

(Jigme Namgyal)

On behalf of and representing Jurmey Chetsho, Ugyen Lhamo and Tashi Penjor

Mobile No: 17620765

## Annexures

1. Judgement of the District Court
2. Judgement of the High Court
3. Judgement of the Supreme Court
4. CEO's Letter to His Majesty the King
5. Sonam Jurmey's Letter to His Majesty the King
6. Rebuttal Submission by Jigme Namgyal, Jurmey Chetsho and Tashi Penjor
7. Rebuttal submission by Tshering Dem, the Land Owner of Depsi
8. Enquiry Letter by RMA to RICBL
9. RICBL Explanation Letter to RMA
10. Show Cause notice to Jigme Namgyal, Jurmey Chetsho, Ugyen Lhamo and Tashi Penjor
11. Responses to the Show Cause notice
12. Suspension Letters to Jigme Namgyal and Ugyel Lhamo
13. Payment Notice to Jigme Namgyal, Jurmey Chetsho, Ugyen Lhamo and Tashi Penjor
14. Follow-up letter by RICBL on approaching Higher Authorities
15. Enforcement Letter by RICBL to District Court
16. Arrest Warrant issued to Jigme Namgyal, Jurmey Chetsho, Ugyen Lhamo and Tashi Penjor
17. Sonam Jurmey's Letter to District Court on the "write-off" for Management Portion
18. Time extension by District Court to Jigme Namgyal, Jurmey Chetsho, Ugyen Lhamo and Tashi Penjor
19. Time extension for Ugyen Wangchuk by Chief Justice of Bhutan, Supreme Court.
20. Email copies of the Sr. Managers of RICBL confirming on the Management Practice of Verbal Approvals.
21. List of Board of Directors and Management of RICBL from 2010 – 2019
22. List of Dealing Officials (based on the loan documents evidence) for 12 Loans and 7 Bank Guarantees
23. Management Committee Minutes of Meeting on the Time extension for Ugyen Wangchuk's loan
24. Soft Copies of Loan Files
25. Soft Copies of the all above in Flash Drive